

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7285

BILL NUMBER: HB 1456

NOTE PREPARED: Jan 17, 2003

BILL AMENDED:

SUBJECT: Tobacco Settlement Funds.

FIRST AUTHOR: Rep. Brown C

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill makes permanent appropriations from the Tobacco Master Settlement Agreement Fund.

Effective Date: July 1, 2003.

Explanation of State Expenditures: (Revised) This bill makes the following permanent appropriations.

Tobacco Master Settlement Agreement Trust Fund Appropriation to:	FY 2004	FY 2005
Tobacco Use Prevention and Cessation Trust Fund	\$35 M	\$35 M
Indiana Children's Health Insurance Program (CHIP)	\$33.6 M	\$33.6 M
Local Health Maintenance Programs	\$1.4 M	\$1.4 M
Community Health Centers	\$15 M	\$15 M
Indiana Prescription Drug Account	\$20 M	\$20 M
Indiana Local Health Department Account	\$3 M	\$3 M
Total Appropriations	\$108 M	\$108 M

The bill provides that if the trust funding formula (currently 40% of the Tobacco Settlement payments are designated to the trust fund and are unavailable for expenditure) does not allow for sufficient funds to make the appropriations listed above, the funds set aside for the trust may be used to fund these appropriations. If the total Tobacco Settlement payments for the year do not provide sufficient funds, the bill provides a formula to determine how much of the available funds for the year each account should be allotted.

Current Tobacco Master Settlement Agreement Funding Formula	FY 2004	FY 2005
Estimated Revenue	\$132.240 M	\$133.970 M
60% of Funds Received Available for Expenditure (Current)	79.344 M	80.382 M
40% Designated to the Trust Fund (Current)	52.896 M	53.588 M

Revised Tobacco Master Settlement Agreement Funding	FY 2004	FY 2005
Estimated Revenue	\$132.240 M	\$133.970 M
Appropriations Made by this Bill	108.000 M	108.000 M
Expenditures above the Current 60% Cap Allowed by this Bill	28.656 M	27.618 M
Remaining Funds to be Designated to the Trust Fund by this Bill	24.240 M	25.970 M

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: See *Explanation of State Expenditures*.

State Agencies Affected: The Family and Social Services Administration, Office of Medicaid Policy and Planning; State Department of Health; Tobacco Use Prevention and Cessation Agency; and the State Budget Agency.

Local Agencies Affected: Local Departments of Health, County-owned Hospitals, Community Health Centers.

Information Sources:

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